

Appendix 11.4

Requirements for a Resettlement Policy Framework (RPF)

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APPENDIX 11. 4 Requirements for a Resettlement Policy Framework (RPF)

The Equator Principles require that projects in non-OECD countries (including Egypt) must refer to the applicable Internal Finance Corporation (IFC) Performance Standards. In relation to resettlement, the applicable standard is Performance Standard 5: Land Acquisition and Involuntary Resettlement.

IFC Performance Standard 5 describes a Resettlement Action Plan (RAP) as a document drafted by the company (in this case, ERC) or other parties responsible for resettlement, specifying the procedures it will follow and the actions it will take to properly resettle and compensate affected people and communities. The RAP is the company's commitment to financial institutions and to the affected people that it will meet its obligations arising from involuntary resettlement.

Proper resettlement planning can enhance the development impact of a project. The IFC urges sponsors to avoid involuntary resettlement wherever feasible or to minimize it by exploring alternative project design or siting. The RAP must identify the full range of people affected by the project and justify their displacement after consideration of alternatives that would minimize or avoid displacement.

The RAP outlines eligibility criteria for affected parties, establishes rates of compensation for lost assets, and describes levels of assistance for relocation and reconstruction of affected households.

The RAP process involves;

- collection and analysis of socio-economic data regarding the households losing assets or resources;
- creation of a resettlement baseline as part of the resettlement–compensation methodology;
- estimation of the impact that resettlement will have on people and property (land, crops, and access to forest and grazing resources);
- definition and description of eligibility criteria and compensation categories;
- determination of valuations of land, crops, buildings and all other property, including cultural property such as graves, sacred sites and monuments;
- determination of various income restoration strategies (including assistance in sustainable agricultural techniques);
- definition of individual, household and community compensation agreements;
- structuring of the complaints and grievance procedures;
- preparation of a comprehensive budget and schedule for the implementation of the RAP;
- preparation of a monitoring and evaluation process for the RAP implementation;
- identification of the monitoring and evaluation indicators; and
- provision of recommendations as to resettlement implementation.

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Paragraph G23 of the 2007 IFC Guidance Notes for Performance Standard 5 states that: “A project may include subprojects or multiple components that cannot be identified at project appraisal or that may be implemented sequentially over an extended period (such as a highway project in which all interchanges have not been determined or a mining project for which land acquisition cannot be planned at one time). Under these circumstances, a Resettlement Framework should establish the principles, procedures, entitlements and eligibility criteria, organizational arrangements, arrangements for monitoring and evaluation, the framework for participation, and mechanisms for redressing grievances by which the client will abide during the project implementation. A Resettlement Action Plan consistent with this Resettlement Framework should be prepared for each subsequent subproject or project component that entails physical and/or economic displacement. The Resettlement Action Plan for each subproject or subcomponent will be reviewed and approved by IFC.”

The IFC Handbook for Preparing a Resettlement Action Plan allows for the submission of a **Resettlement Policy framework** for *“projects with subprojects or multiple components that cannot be identified before project approval. This instrument may also be appropriate where there are valid reasons for delaying the implementation of the resettlement provided that the implementing party provides an appropriate and concrete commitment for its future implementation.”*³

The World Bank Operational Policy 4.12 on Involuntary Resettlement defines a resettlement policy framework as follows; *“The purpose of the policy framework is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects to be prepared during project implementation.”*⁴

According to the World Bank Operational Policy 4.12: *“When a resettlement policy framework is the only document that needs to be submitted as a condition of the loan, the resettlement plan to be submitted as a condition of subproject financing need not include the policy principles, entitlements, and eligibility criteria, organizational arrangements, arrangements for monitoring and evaluation, the framework for participation, and mechanisms for grievance redress set forth in the resettlement policy framework. The subproject-specific resettlement plan needs to include baseline census and socioeconomic survey information; specific compensation rates and standards; policy entitlements related to any additional impacts identified through the census or survey; description of resettlement sites and programs for improvement or restoration of livelihoods and standards of living; implementation schedule for resettlement activities; and detailed cost estimate.”*⁵

³ International Finance Corporation Handbook for Preparing a Resettlement Action Plan - page xi

⁴ World Bank Operational Manual
<http://wbln0018.worldbank.org/Institutional/Manuals/OpManual.nsf/toc2/46FC304892280AB785256B19008197F8?OpenDocument>

⁵ World Bank Operational Policy 4.12 Annex A
<http://wbln0018.worldbank.org/Institutional/Manuals/OpManual.nsf/toc2/46FC304892280AB785256B19008197F8?OpenDocument>

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Furthermore the Annex of the Operational Policy outlines the key elements to include within a RPF as follows;

1. A brief description of the project and components for which land acquisition and resettlement are required, and an explanation of why a resettlement plan as described in paras. 2-21 or an abbreviated plan as described in para. 22 cannot be prepared by project appraisal;
2. Principles and objectives governing resettlement preparation and implementation;
3. A description of the process for preparing and approving resettlement plans;
4. Estimated population displacement and likely categories of displaced persons, to the extent feasible;
5. Eligibility criteria for defining various categories of displaced persons;
6. A legal framework reviewing the fit between borrower laws and regulations and IFC and WB policy requirements and measures proposed to bridge any gaps between them;
7. Organizational procedures for delivery of entitlements, including, for projects involving private sector intermediaries, the responsibilities of the financial intermediary, the government, and the private developer;
8. A description of mechanisms for consultations with, and participation of, displaced persons in planning, implementation, and monitoring;
9. Methods of valuing affected assets;
10. Description of the implementation process;
11. A description of grievance redress mechanisms;
12. A description of the arrangements for funding resettlement, including the preparation and review of cost estimates, the flow of funds, and contingency arrangements;
13. Arrangements for monitoring by the implementing agency and, if required, by independent monitors.